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PUBLIC HOUSING PROGRAM

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BERKELEY HOUSING AUTHORITY



I. BACKGROUND

● HOW DID THE CITY GET STARTED ON THIS PROJECT?

In public elections held in April of 1977 and April of 1981, the majority of Berkeley voters approved authority for the public development of up to 500 units of low income housing. So, last July, when HUD notified the City that funds for public housing would be available, the Housing Authority applied, and was notified that the project was approved in early January of 1985. At that point, HUD told the Housing Authority that it could develop 75 units, at a cost to HUD not to exceed \$6.29 Million.

● WHY DOES THE CITY HAVE TO ACCEPT THIS FUNDING? WHY CAN'T IT WAIT? WHY CAN'T WE USE OTHER PROGRAMS?

Many of the programs which built affordable housing in the 1960s and 1970s -- such as Section 8 New Construction -- are not available. Current indications are that funding from the State and federal governments for housing development will be extremely limited for the foreseeable future. Other financing opportunities for housing which ensures low-income affordability are not available. The Administration has requested a complete freeze on new assisted housing units.

● WHY ARE WE BUILDING PUBLIC HOUSING WHEN IT HAS CREATED SUCH PROBLEMS IN OTHER CITIES?

Public Housing has had many problems, but also many successes, depending on where it is located and the community's commitment to ensure quality design and management of its public housing stock. Public Housing was mass-produced during the late 1940s to early 1960s and was generally of poor design in extremely large projects. One advantage the City of Berkeley has by being late to get involved in public housing development is that the Housing Authority can learn from past failures and not duplicate them. In addition, the Housing Authority can build upon the successful experiences of other Housing Authorities, for example, the Alameda County, Pleasanton, Santa Cruz, and Las Vegas Housing Authorities. To a great extent, the smaller scale of newer public housing developments, attention to design details, and effective management planning have made a significant difference in the character of public housing.

II. THE NEED FOR PUBLIC HOUSING

● WHY DOES BERKELEY NEED PUBLIC HOUSING?


Public housing serves low income families, households which have great difficulty finding housing in Berkeley's tight market. Among the reasons that the housing is needed are:

Payment of Unaffordable Rent: Many tenants in Berkeley, particularly low income tenants, pay more for rent than they can afford. The federal government calculates that households can afford to pay a maximum of 30% of their income in rent. Yet among tenants in Berkeley with incomes of less than \$15,000, the majority (60%) paid more than 35% of their income in rent. In public housing, tenants' rents are limited to 30% of their income.

Poor Conditions: Many tenants in Berkeley, particularly low income tenants, are living in units which are in poor condition. Berkeley's Housing Assistance Plan estimates that 7,822 lower income renter households are living in sub-standard units. Public housing will provide townhouses that meet or exceed code standards.

Difficulty in Finding Housing: It is very difficult to find a place to rent in Berkeley, particularly for families with children. Two statistics measure just how hard it is. The vacancy rate for housing in Berkeley, measured last year, was 0.5%. This means that for every 1,000 apartments and homes in Berkeley, only 5 were available at any given time. A 5.0% vacancy rate (10 times higher) is generally considered the minimum required to allow people to find housing without great difficulty. In this tight market, the number of families with children in Berkeley has dropped a great deal. In 1980, there were almost 2,000 less families with children than 1970, a decline of 17%. Public housing will provide 75 new units of housing for families with children.

Changes in Population: Berkeley's population has changed dramatically between 1970 and 1980, in ways which indicate the need for more affordable housing for families. The number of households with children under 18 dropped by 12.6% between 1970 and 1980. There were 1,350 fewer households with children under 18 in 1980 than in 1970. The Black population also dropped greatly, declining by 24.3% -- almost one-fourth. The number of Blacks in Berkeley declined from over 27,000 to below 21,000, with analysis of the composition of the Black population suggesting that further declines are likely.



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- DO WE NEED HOUSING FOR THE PEOPLE WHO WILL LIVE IN PUBLIC HOUSING? PUBLIC HOUSING WILL BE FOR LARGE FAMILIES -- DO WE NEED HOUSING FOR LARGE FAMILIES?

Yes. Large families have particular difficulties in finding housing in Berkeley. The number of three and four bedroom rental units, the type public housing will provide, has declined substantially. In 1980, there were almost 600 fewer three and four bedroom rental units -- 18% less -- than in 1970.

The Section 8 Program shows the problem. Under Section 8, some low-income families (not nearly as many as need the assistance) get assistance to make up the difference between their rent and the amount they can afford to pay. But families needing three and four bedroom units can't find them. While Berkeley could assist 248 families needing three and four bedroom units (under the current funding), it was only aiding 194, because the others couldn't find places. And there are 205 more eligible Berkeley families on the waiting list for three and four bedroom units.

- HAVEN'T GOVERNMENT PROGRAMS ALREADY PROVIDED A LOT OF LOWER INCOME HOUSING IN BERKELEY?

Not really. It may seem that way because most of Berkeley's publically-assisted units were built in the 1970s and 1980s. Under all of the various government programs, only 1,028 units have been built. That's only 2% of the over 45,000 housing units in Berkeley. Even if the 169 units underway on the Dwight-Derby site, and the 1,441 units which will be assisted under the Section 8 Program when it is fully leased up are added in, the total is 2,545, 5.5% of all the housing in Berkeley. By contrast, assisted housing in Oakland totals 12,754 units, 8.5% of its housing; in San Francisco, 18,843 units, over 6% of its housing; in Richmond, 3,099 units, 10.5% of its housing; and in Alameda, 1,621 units, almost 6% of its housing.

The number of units for families is even smaller. Of the 1,028 assisted housing units built, only 254, 1.5% of the total housing stock, have been for families. And of these 254, only 82 are large family units containing three or four bedrooms.

III. DECISION MAKING

● WHAT IS THE PROCESS FOR MAKING DECISIONS?

The Housing Authority Board established a Housing Development Committee to facilitate community input and to act as a liaison between the community and the Board on the development of the 75 units. This committee is comprised of two members of the Housing Authority Board, two community representatives who have worked with previously successful housing projects, and a representative from the Planning Commission, the Housing Advisory Appeals Board, and the Public Housing Tenants' Association. Other members may be included as determined by the Chairman of the Housing Authority. The Housing Development Committee has been meeting weekly since February 13, 1985 and has recommended a public participation process to the Board which includes at least seven public meetings and hearings on site selection and design standards. Once the project is under construction, the Committee plans to expand the public participation process to incorporate management plans.

The Housing Development Committee will recommend actions to the Board, based on its analysis of development options, taking into account public concerns and program requirements as stipulated by HUD and/or local regulations.

IV. PLANNING STANDARDS

- WHAT PLANNING RULES DOES BERKELEY HAVE TO FOLLOW IN FINDING LOCATIONS FOR PUBLIC HOUSING?

The basic set of federal rules the City must follow in finding locations for public housing is the Site and Neighborhood Standards, which HUD has developed.

Site and Neighborhood Standards are designed to assure that public housing is built in appropriate locations. Sites must meet the following criteria:

Accessible to public utilities (electricity, gas, etc.) and accessible to roads.

Convenient to public transportation and/or places of employment.

Accessible to needed facilities (such as schools, shopping, health facilities, recreational sites, etc.).

Not located where there are major environmental problems, i.e., excessive noise, presence of toxic waste or poor air quality.

Not excessively steep or on unstable soil.

Not located in an area of minority concentration, unless the project is necessary to meet overriding housing needs which cannot otherwise feasibly be met.

Not cause a significant increase in the proportion of minority residents in racially mixed areas.

Avoid an undue concentration of assisted housing.

- DO BERKELEY'S SITES FOR PUBLIC HOUSING MEET THESE CRITERIA?

Yes. Reviewing the standards:

Public Utilities: All sites in Berkeley can easily be hooked up to utilities.

Facilities Access: All sites in Berkeley are within a short distance of these facilities. See HOUSING SITE DATA ANALYSIS.

Grade and Soil: None of the proposed sites are on a steep grade or unsuitable soil.

Environment: Sites have no major environmental problems.

Increase in Minority Population: HUD does not define what a "significant" increase in minority population is or what a racially mixed area is. Berkeley views a racially mixed area as one which is at least 20% minority. Because the Housing Authority plans to scatter its sites, changes in any neighborhood's population will be small. Assuming the maximum number of units proposed for each site are built, and presuming all the tenants are minorities (which is unlikely), in no racially mixed area would the minority percentage of the population increase as much as 5%. In this regard, it should also be recalled that all of the racially mixed Census Tracts suffered declines in Black population in the 1970s. These declines ranged from 11.2% in SUDS Tract 4231 to 46.7% in Savo Island Tract 4235. Demographic analysis of the Black population suggests that a further decline is likely to occur in the 1980s.

Minority Concentration Areas: HUD does not define what it means by "minority concentration area." In Berkeley's case, it is instructive to look at the 10% of Census Tracts which are most heavily minority -- the three most heavily minority Tracts out of the 30 in the City. These are Tracts 4232 (bounded by University and Dwight -- 6th Street and San Pablo) which is 77.3% minority, San Pablo Park Tract 4233 which is 88.2% minority, and Southwest Berkeley Tract 4240, which is 88.1% minority. Only four sites are within these three Tracts -- 3000 Block of Sacramento Street, Sacramento and Alcatraz site, the Sacramento and Stuart Street site, and part of the Santa Fe Right-of-Way between Dwight and Blake.

Concentration of Assisted Housing: HUD does not define this criterion either. Its intent is to avoid overburdening an area with too many projects. In Berkeley's view, it is most appropriate to look at the number of family units in assisted housing projects. (It is not appropriate to include housing where tenants are receiving Section 8 existing program assistance, because the number of units will change as tenants move. Nor does senior housing have the same effect as family housing.) Four of the sites are located in areas which have assisted family units. But in no area does the current number of units exceed 4% of the units in the area, not an undue consideration. Even after the addition of small numbers of Public Housing Units, in no case would the number of assisted family units exceed 5% of the housing stock in any Census Tract. Berkeley would not reproduce the situation in Oakland, where in 8 Census Tracts, over 10% of units are assisted units for families.

- WHAT ABOUT BERKELEY'S MASTER PLAN? DOESN'T THE CITY HAVE TO FOLLOW THAT?

The Master Plan provides guidelines for developing housing in Berkeley, although it offers no specific criteria on where housing is to be located. The Housing Element of the Master Plan, adopted this year by the City

Council to provide a framework for the City's housing policies, contains a number of policies encouraging the development of public housing. Policy 1.15 calls for the City to "As a first priority, take actions necessary to maintain and expand the supply of rental units to meet the needs of low and middle income residents best served by rental housing." Policy 1.22 states that the City should, "when-ever possible, carry out and support actions that increase the long term affordable housing stock." Policy 1.25 states in part, "Any housing which receives any public subsidy or assistance, whether originated by local, state, or federal agencies, shall provide long term affordability to low and moderate income households to the maximum extent feasible."

Policies from other Elements of the Master Plan are relevant as well. The Land Use Element (adopted in 1977) provides guidelines for development throughout the City. Policy 1.02 supports expanded housing, reading, "Permit to accomodate a maximum population of 120,000" (Berkeley's current population is 103,000).

Regarding density, Policy 1.10 states that the City should "Preserve the character of lower density residential areas (less than 50 persons per residential acre) and their complementary churches, schools, and parks." All but two (Whittier School and 2000 Block of Virginia St.) sites are in such areas. The Housing Authority fully intends to respect the character of these neighborhoods by developing housing which will visually fit into the neighborhoods. While in some cases this housing may need to be at densities above those in surrounding neighborhoods, the small number of units will have little effect on the overall density of the neighborhood. In no case (including Whittier School and the 2000 Block of Virginia Street) would the population increase caused by developing public housing even restore the loss in population experienced in the 1970s. Thus, in no Census Tract would densities even return to their 1970 level.

- AREN'T THERE MASTER PLAN STANDARDS FOR PARKS?

There are Master Plan guidelines for parks. The Plan calls for a total of 22 acres of city-owned parkspace per 1,000 residents. This goal, which would require 212 acres for Berkeley's 103,000 residents, has been exceeded by the 223.60 acres in Berkeley's park inventory. This is an increase of 47.6 acres over the amount existing when the Master Plan was written. It should be understood that this is a city-wide standard, not a standard for individual neighborhoods. This inventory includes a number of parks developed using Measure Y property tax override funds including Ohlone, Cedar-Rose, and Strawberry Creek. It also includes those school playgrounds which are jointly operated by the Parks Department and the School District -- King School, LeConte School, Malcolm X School, John Muir School, Thousand Oaks School,

and Washington School, as well as the King, West Campus, and Willard Swim Centers. The figure and the inventory do not include any open areas around other school sites.

Policy 1.12 of the Housing Element calls on the City to "Coordinate government and private action to produce living environments which offer residents safety, amenities, and reasonable access to transportation, services and recreation." To assure that public housing residents have reasonable access to recreation, all public housing sites will have open space contained within them. In addition, all sites are within $\frac{1}{2}$ mile of a City park, and most are within $\frac{1}{2}$ mile of two or more parks (See SITE DATA sheets for additional details).

V. DESIGN

- HOW WILL THE HOUSING BE BUILT? DOES LOW INCOME HOUSING MEAN CHEAPLY BUILT HOUSING?

Approximately \$6.29 million is available from HUD for the development of this project. Construction costs are projected to be \$3.9 million or approximately \$43.75 per square foot, which is similar to costs for other newly built housing. The remaining funds are for site acquisition, architectural and engineering fees, and legal, planning, surveying, permit, and site improvement expenses.

Of the 75 units, 40 are to be 3 bedrooms with 1 1/2 baths, and 35 are to be 4 bedrooms with 2 baths. The units are to be developed on scattered sites throughout the City.

An award-winning, Berkeley-based architectural firm, Ratcliff Architects, has been selected to design this project. The housing is to be of modest, non-extravagant, but good design utilizing cost effective materials which conserve energy and promote efficient long-term maintenance. An example of the type of housing design proposed is the 62 unit Oceanview development on Sixth Street (although the Housing Authority does not plan to build that number of units on any site). Federal guidelines prohibit inclusion of swimming pools, saunas, balconies, covered patios, dishwashers, carpeting, and carports. However, to ensure an attractive project, compatible with overall neighborhood environment, some of these and other amenities may be provided from other budget sources. Generally, this is done with CDBG funds since the primary intent of CDBG is to provide community development activities benefiting low-to moderate income families.

- WHAT ABOUT HANDICAPPED ACCESS?

HUD requires that at least 5% or 4 units be accessible to the handicapped. However, the Housing Authority will be using the State's regulations on handicapped adaptability. This means that all units will be accessible in terms of entry and circulation, and thereafter, can be adapted or equipped to meet the specific needs of handicapped persons.

VI. MANAGEMENT

● WHO WILL LIVE IN THE HOUSING?

Families whose incomes are below 50% of the median income for Berkeley are eligible to apply. This means that all the families on the Section 8 waiting list are eligible based upon income; however they must apply separately for this program. As with Section 8, Berkeley families with the most critical housing needs will be given priority on the waiting list.

A major difference between this program and Section 8 is that the Housing Authority will be the landlord for the units. In that role, the Housing Authority will establish tenant screening/selection policies and procedures designed to:

Avoid concentrations of the most economically and socially deprived families in any one or all of the housing units;

Preclude admission of applicants such as known drug dealers, whose habits and practices reasonably may be expected to have a detrimental effect on the tenants or the project environment; and

Attain, within a reasonable period of time, a tenant body with a range of incomes and rent-paying ability that is generally representative of eligible lower income families.

Families will be assigned to units based on family size--so that space is not underutilized and overcrowding is avoided. In general, this means that for a 3 bedroom unit, the minimum family size would be 3 persons and the maximum would be 6 persons, and for a 4 bedroom, the minimum would be 5 persons and the maximum would be 8 persons.

● WHERE WILL THE MONEY COME FROM FOR MANAGEMENT? HOW WILL THE HOUSING BE MANAGED?

HUD provides funds to build the housing and cover the debt service; tenant rents are used by the Housing Authority to cover the cost of management. This is significant, because in most private housing, over 60% of tenants' rents are used for debt service. After five years of occupancy, the Housing Authority may be eligible to receive additional funding from HUD to cover any additional operating or repair costs.

With respect to management of this housing, the Housing Authority might use a variety of approaches including:

Contracting with a management firm in a manner similar to that for managing the 14 units, Oceanview, and UA Housing.

Direct management by a staff hired by the Housing Authority.

Demonstration approaches, as HUD permits periodically, such as homeownership demonstrations.

An overall tenant-management approach (with sufficient safeguards to ensure appropriate intervention if problems arise).

The appropriateness of any particular management approach is contingent on the number of sites, number of units on each site, location and type of housing built. When these latter decisions are made, the Housing Development Committee will be in to explore management options. And even if the Housing Authority does not use an overall tenant-management approach, the Housing Authority will involve tenants in management to the maximum extent possible.

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